



ADAPTATION FUND

AFB/PPRC.36/20/Add.1
15 September 2025

Adaptation Fund Board
Project and Programme Review Committee
Thirty sixth Meeting
Bonn, Germany, 7-8 October 2025

Agenda Item 4(r)

PROJECT FORMULATION GRANT FOR DJIBOUTI

I. Background

1. The Board at its eleventh meeting discussed the document “Funding for Project Formulation Costs” (AFB/11/6) and agreed, in its Decision B.11/18, that:

- i. project formulation grants (PFG) should be given once a project concept has been approved
- ii. consideration should be given in terms of differentiating between NIEs and MIEs, since some NIEs might have financial difficulties in trying to formulate project or programme proposals;
- iii. a flat rate should be given for project formulation costs;
- iv. a list of eligible activities and items still needed to be prepared; v. the grant should be additional to the project cost; and
- v. the fate of funds if the final project document was rejected should be determined.

2. There was consensus that a three-tiered system should be considered for project formulation grants: endorse a project concept with a PFG amount, endorse a project concept without a PFG amount, or reject the project concept.

3. Following the discussion, the Board decided:

To request the secretariat to reformulate the document, to include a comparison of eligible activities provided by other funds for project formulation grants, to take into account guidance provided by the Board at the present meeting, and to submit the document to the Board at its twelfth meeting, through the EFC. The EFC should review and finalize the process and policy of the project formulation grant focusing, in particular, on: the issue of unspent project funds; the procedures followed by other funds in that regard; and the determination of a flat-rate.

4. A document was prepared by the secretariat in response to the above mandate and presented at the third EFC meeting, which made specific recommendations to the Board at its twelfth meeting. Having considered the recommendation of the Ethics and Finance Committee, the Board, in its Decision B.12/28, decided that:

(a) Project Formulation Grants (PFGs) will only be made available for projects submitted through NIEs. The Board would continue reviewing the question of PFGs for projects submitted through MIEs and would solicit comments from members and alternate members by February 14, 2011; the views would be compiled by the secretariat for presentation to the Board at its March 2011 meeting;

(b) If a country required a project formulation grant, a request should be made at the same time as the submission of a project concept to the secretariat. The secretariat will review and forward it to the PPRC for a final recommendation to the Board. A PFG could only be awarded when a project concept was presented and endorsed;

(c) A PFG form, reproduced in Annex V, should be submitted;

- (d) Only activities related to country costs would be eligible for PFG funding;*
- (e) A flat rate of up to US\$30,000 shall be provided, inclusive of the management fee, which cannot exceed 8.5 per cent of the grant amount. The flat fee would be reviewed by the Board at its thirteenth and all subsequent meetings;*
- (f) If the final project document is rejected, any unused funds shall be returned to the Adaptation Fund Trust Fund;*
- (g) Once a project/programme formulation grant is disbursed, a fully developed project document should come to the Board for approval within 12 months. No additional grants for project preparation can be received by a country until the fully developed project/programme document has been submitted to the Board; and*
- (h) The Trustee was instructed to remove the set-aside of US\$100,000 for project preparation that had been decided at the June 2010 meeting, as project preparation would be approved on a project-by-project basis.*

5. In its twenty-fourth meeting, the Board had initiated steps to launch a pilot programme on regional projects and programmes, not to exceed US\$ 30 million and had requested the secretariat to prepare for the consideration of the Board a proposal for such a pilot programme (Decision B.24/30). In its twenty-fifth meeting, the secretariat submitted such document and the Board decided to:

- (a) Approve the pilot programme on regional projects and programmes, as contained in document AFB/B.25/6/Rev.2;*
- (b) Set a cap of US\$ 30 million for the programme;*
- (c) Request the secretariat to issue a call for regional project and programme proposals for consideration by the Board in its twenty-sixth meeting; and*
- (d) Request the secretariat to continue discussions with the Climate Technology Center and Network (CTCN) towards operationalizing, during the implementation of the pilot programme on regional projects and programmes, the Synergy Option 2 on knowledge management proposed by CTCN and included in Annex III of the document AFB/B.25/6/Rev.2.*

(Decision B.25/28)

6. The approved document AFB/B.25/6/Rev.2 contained provisions for the approval of project formulated grants for regional project and programme proposals, at different development stages, as follows:

“It is proposed that the Board open a structured call for MIEs and RIEs to submit pre-concepts for regional projects and programmes. The optional pre-concepts would be very brief proposals of maximum 5 pages that would explain the proposed regional adaptation project/programme. The pre-concepts would be screened and technically reviewed by the

secretariat, and subsequently reviewed by the PPRC. Together with the pre-concept, the proponent could submit a Phase I PFG request, up to the maximum level of US\$ 20,000. While endorsing the pre-concept, the Board could also approve the Phase I PFG request. The endorsement of the pre-concept would not create an obligation for the Board for later funding. As the next step, the proponent would submit a concept, and with it the proponent could submit a Phase II PFG request. The maximum AFB/PPRC.18/25/Add.1 level of the Phase II PFG would be US\$ 80,000 for proposals that had been previously granted Phase I PFG, and US\$ 100,000 for proposals that bypassed the optional pre-concept stage. While endorsing the concept, the Board could also approve the Phase II PFG request. The endorsement of the concept would not create an obligation for the Board for later funding, as it is the case for the national projects. The final stage of the proposal process would be the submission of the fully-developed regional project document”.

II. The Project Formulation Grant Request

7. This addendum to the document, AFB/PPRC.36/20 “Proposal for Djibouti” includes a request for a Project Formulation Grant, requesting a budget of US\$ 135,625, which was received by the secretariat along with the concept for the project AF00000402 “*Climate Change Adaptation in the Great Green Wall National Corridor (Adapt-GMV)*”. This proposal was submitted by International Fund for Agricultural Development (IFAD), which is a Multilateral Implementing Entity of the Adaptation Fund, in time for consideration by the Adaptation Fund Board at its forty-fifth Board meeting.

8. In accordance with Decision B.12/28, paragraph (b), the secretariat carried out an initial review of the PFG request and found that the document provided detailed information on the use of the requested funds. The proposed activities were aligned with the goal of the project and would support: comprehensive consultation; feasibility studies; and Gender, Environmental and Social risk analysis and action plan.

9. Therefore, the PPRC may want to consider and recommend to the Board to approve the PFG Request, provided that the related concept proposal is endorsed.



Revised PFG Submission Form¹ (additions in red)

Project Formulation Grant (PFG)

Submission Date: 01/12/2024

Adaptation Fund Project ID:

Country/ies: République de Djibouti

Title of Project/Programme: Climate Change Adaptation in the Great Green Wall Corridor (Adapt-GMV)

Type of IE (NIE/RIE/MIE): MIE

Implementing Entity: International Fund for Agricultural Development (IFAD)

Executing Entity/ies: for the PFG: International Fund for Agricultural Development (IFAD)

A. Project Preparation Timeframe

Start date of PFG	November 2025
Completion date of PFG	November 2026

B. Proposed Project Preparation Activities (\$)

List of Proposed Project Preparation Activities	Output of the PFG Activities	US\$ Amount	Budget note²
Gender and Environmental and Social risk analyses and formulation of Environmental and Social Management Plan and Gender Action Plan. This document is required as part of the submission of the full proposal.	Environmental and Social Management Plan and Gender Action Plan formulated.	20 000	Consultancy fees: 13000 USD Travel costs: 7000 USD
Consultancies and contracts to develop program	Full proposal of the ADAPT-GMV	25 000	Consultancy fees: 25 000 USD

¹ As presented in AFB/PPRC.33/40 Annex 1.

² The proposal should include a detailed budget with budget notes indicating the break-down of costs at the activity level. It should also include a budget on the Implementing Entity management fee use.

<p>Consultancies and contracts to develop program and/or project options. Two types of studies: a) feasibility study for the rehabilitation of water infrastructure; b) feasibility study for the establishment of new irrigated schemes.</p> <p>The availability of these feasibility studies would greatly help in the effective start-up of the project as it would have the required feasibility and bidding documents to launch the procurement of key civil works immediately after the project is approved by the AF EB.</p>	<p>Report of the feasibility study for the rehabilitation of the Kourtimalei dam (Arta), and the Gallamo (Dikhil) and Omar Djagaa (Arta) boreholes which will include a) plan for sustainable water management ; b) technical specifications and bidding document for the rehabilitation of the boreholes</p> <p>Report of the feasibility study for the development of 3 new irrigated schemes of 10 hectares each at Tewe, Cheikhetti 2 and Gallamo (all in Dikhil region) including plan for climate resilient agricultural practices.</p>	80 000	<p>Feasibility study for water infrastructure: 25 000 USD</p> <p>Feasibility study for 3 irrigated schemes: 55 000 USD</p>
IE Fees (8.5% of total)	-	10 625	
Total Project Formulation Grant		135 625	

Please describe below each of the PFG activities and provide justifications for their need and for the amount of funding required:

The PFG activities requested for the ADAPT-GMV will support the formulation of the full proposal at different levels, ensuring that the Executing Entity will be provided with a complete package to fast-track implementation. The activities proposed are detailed below:

1.1 Gender and Environmental and Social risk analyses and formulation of Environmental and Social Management Plan and Gender Action Plan

The Adaptation Fund requires a robust and evidence-based gender and environmental and social risk analysis, based on the list of identified sites for project interventions. Moreover, the review of the project concept note raised a number of issues about gender that IFAD and MEDD sought to address at this stage. For the full proposal, IFAD and MEDD would like to carry out thorough data collection and analysis for gender as well as for the assessment of environmental and social risks. The risk analysis will inform the formulation of a robust Environmental and Social Management Plan and Gender Action Plan. IFAD will hire two international consultants for this assignment, a gender specialist and an environmental specialist

who will work jointly. The cost of 20 000 USD includes consultancy fees for 15 days as well as fieldwork costs (DSA, rental of vehicle) for one week. The report should be available by May 2026.

1.2 Consultancies and contracts to develop program

IFAD is requesting additional funds to top up the budget it allocates for the design of Adaptation Fund projects. The fund will be used to address the issues the Adaptation Fund raised during the review of the project concept note and that revolve around hydrology and volume of groundwater, cost benefit analysis, knowledge management. IFAD would hire 3 consultants (national and international) to improve the quality of the full proposal. The cost would be 25 000 USD covering consultancy fees. No travel costs will be required as the consultancies will focus on systematizing available information. The consultancies would be completed in time for the submission of the full proposal in May 2026.

1.3 Consultancies and contracts to develop program

Given that the ADAP-GMV sites have been identified, it is suggested to carry out the related feasibility studies to ensure that all environmental and social risks are identified and therefore excluding the possibility of USPs. This activity will further ensure that the EE is provided with all the necessary information and documents to fast-track implementation of key activities. In case this proposal is accepted, the feasibility studies for these sites would be removed from the full proposal and the project budget. There will be two types of feasibility studies:

Two types of studies will be carried out: a) feasibility study for the rehabilitation of water infrastructure; b) feasibility study for the establishment of new irrigated schemes.

2.1 The feasibility study for the rehabilitation of the water infrastructure.

The feasibility study of water infrastructure will cover the rehabilitation of the Kourtimalei dam (Arta region), and the Gallamo borehole (Dikhil region) and Omar Djagaa borehole (Arta). The feasibility study will analyze the technical defects and examine the management arrangements for the water infrastructure and its maintenance. The outputs of the feasibility study will be a thorough analysis of the defects and appropriate technical and management solution; bid document with the technical specifications of the water infrastructure; a plan for sustainable water management. The MEDD as lead agency for the project will carry out the procurement after the full proposal is approved. It is estimated that the cost of such feasibility study would be 25 000 USD and the assignment would be executed by a qualified firm operating in Djibouti. The procurement would be carried out by IFAD. The report of the feasibility study would be submitted in December 2025.

2.2 The feasibility study for the establishment of new irrigated schemes.

The project concept note identified sites for the establishment of 3 new irrigation schemes for a total area of 10 hectares each at Teweo, Cheikhetti 2 and Gallamo (all in Dikhil region). The feasibility study would include analysis of water availability for irrigation, water quality, soil type and nutrients, land tenure arrangements and socio-economic profile of potential beneficiaries, as well as optimal crop mix based on the main livelihoods of the beneficiary and water quality and quantity. The outputs of the feasibility study of the new irrigated scheme are the validation of the creation of new irrigation schemes in proposed locations, coupled with a sustainable irrigation plan and climate resilient crop mix, cost benefit analysis, targeting of eligible households including women, and arrangements for land tenure security. The cost of the study is estimated at 55 000 USD and the assignment would be executed by a qualified firm operating

in Djibouti. The procurement would be carried out by IFAD. The report of the feasibility study would be submitted in March 2026.

For LLA Projects only:

If requesting additional funding for LLA projects to enable devolving decision making to the local level, please specify the activities that would directly serve to enable devolving decision making to the lowest appropriate level and enable local actors to make informed decisions on how adaptation actions are defined, prioritized, designed, and implemented:

Please provide justifications for their need and for the amount of additional funding required:

C. Implementing Entity

This request has been prepared in accordance with the Adaptation Fund Board's procedures and meets the Adaptation Fund's criteria for project identification and formulation

Implementing Entity Coordinator, IE Name	Signature	Date (Month, day, year)	Project Contact Person	Telephone	Email Address
Pierre Yves Guedez		09/01/2025	Walid Nasr		w.nasr@ifad.org

Letter of Endorsement

REPUBLIQUE DE DJIBOUTI
UNITE – ÉGALITE – PAIX
—
MINISTÈRE DE L'ENVIRONNEMENT
ET DU DÉVELOPPEMENT DURABLE
—
LE SECRÉTAIRE GÉNÉRAL
N° 406
Djibouti, le



جمهورية جيبوتي
الوحدة - المساواة - السلام
—
وزارة البيئة والتنمية المستدامة

الأمين العام
رقم
جيبوتي في

17 JUL 2024

***To: The Adaptation Fund Board
c/o Adaptation Fund Board Secretariat
Email: Secretariat@Adaptation-Fund.org
Fax: 202 522 3240/5

Subject: Endorsement for the Climate Change Adaptation Project in the Great Green Wall National Corridor

In my capacity as designated authority for the Adaptation Fund in the Republic of Djibouti, I confirm that the above national project proposal is in accordance with the government's national and regional priorities in implementing adaptation activities to reduce adverse impacts of, and risks, posed by climate change in Djibouti.

Accordingly, I am pleased to endorse the above project proposal with support from the Adaptation Fund. If approved, the project/programme will be implemented by the International Fund for Agricultural Development (IFAD) and executed by the Ministry of Environment and Sustainable Development of Djibouti.

Sincerely,

Dini Abdallah Omar



+253 21-35-00-06 +253 21-35-16-18

mbucabinet@gmail.com

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